

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the members of **Adi Rasayan Limited** will be held on Thursday, 30th September, 2010, at 11.00 A.M. at Parking plot, Indrapuri Apartments, Ellisbridge, Ahmadabad 380 006 to transact the following business.

ORDINARY BUSINESS:

- 1.) To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2010 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2010 and Report of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri. Vikram R Shah - Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri. Dahyabhai B. Patel- Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- 4) To appoint Statutory Auditor and fix their remuneration.

FOR AND ON BEHALF OF THE BOARD,

Place : Ahmadabad
Date : 1st September 2010

Sd/-
Director

Sd/-
Director

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote on a poll instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not later 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 2010 to 30th September, 2010 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Company's Registered Office, 48 Gujarat Grain Market, Opp Annupam Cinema, Khokhra Mehamabad, Ahmadabad 380050.
4. Members who wish to attend the meeting are requested to bring duly filled attendance sheet and their copy of the Annual Report at the Meeting.
5. In case of physical shares, the instrument of Share Transfer complete in all respect should be sent so as to reach to the Registered Office of the Company prior to closure of the Register of Members as stated above.

6. An Explanatory Statement as required under Section 173 of the Companies Act, 1956 is annexed hereto and the papers/documents referred to therein are open for inspection at the Registered Office of the Company between 11:00 am and 2:00 pm on any working day prior to the date of Meeting.
7. At the ensuing Annual General Meeting Mr. Vikram shah, Shri Dahyabhai B Patel directors, who are seeking appointment /reappointment, the brief resume of the directors are as under:

Name	Vikram shah	Dahyabhai B Patel
Age	46	56
Qualification	SSC	SSC
Expertise in Specific Area	Diamond	Diamond
Date of First Appointment on the Board of the Company		
Name(s) of the other companies in which Directorship held and Committee Membership/ Chairmanship held.		

FOR AND ON BEHALF OF THE BOARD,

Place : Ahmadabad
Date : 1st September 2010

Sd/-
Director

Sd/-
Director

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

ITEM NO. 2

Shri Vikram R Shah and Shri Dahyabhai B Patel Director of the Company who retires by rotation under Article 104 of Articles of Association of the Company and being eligible offer himself for re-appointment as director of the Company.

FOR AND ON BEHALF OF THE BOARD,

Place : Ahmadabad
Date : 1st September 2010

Sd/-
Director

Sd/-
Director

DIRECTORS' REPORT

The Directors have pleasure in presenting their 18th Annual Report on the business and operations of the Company for the year ended 31st March, 2010.

1. FINANCIAL RESULTS & OPERATIONS:

Accounting year 2009-2010 is the 18th year of operation. During the year under review, no commercial activities were carried out. In view of this, the company has continued to incur losses. The management is putting every effort to come out of the financial crisis. It has already paid of the Secured Loans during the year.

2. DIVIDEND:

In view of loss, the Directors have decided not to recommend any dividend for the year under review.

3. DIRECTORS :

Shri Vikram Shah, Shri Dahyabhai B Patel Director of the Company who retires by rotation under Article 104 of Articles of Association of the Company and being eligible offer himself for re-appointment as director of the Company.

4. AUDITORS:

M/s. Padam Chand Jain & Associates, Chartered Accountants as the Statutory Auditors of the Company The Board recommends the reappoint of M/s. Padam Chand Jain & Associates, as auditors of the Company for the financial year 2010-11, who have also confirmed that their appointment shall be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Necessary Resolutions for their appointment has been proposed for the consideration of the Members of the Company.

5. AUDITOR'S REPORT:

There are no adverse observations made by the Auditors in their Report.

6. AUDIT COMMITTEE:

Audit Committee was reconstituted on 30th April, 2010. The Board appointed Shri Ashish S. Pandare - Chairman, Shri. Lalji Ramraj Yadav and Shri Vikram Shah as Members of the Audit Committee.

7. SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE:

Shareholder and investor Grievance Committee was reconstituted on 30th^t April, 2010. The Board appointed Shri Ashish S. Pandare – Chairman, Shri. Lalji Ramraj Yadav and Shri Vikram Shah as Members of the Shareholders and Investors Grievance Committee.

8. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, The Directors confirm that:

- a) In the presentation of the Annual Accounts, the applicable Accounting Standards except revised AS 15 applicable for Accounting Treatment for Gratuity, Leave Encashment and other Retirement Benefits have been followed and that no material departures except to the extent disclosed have been made from the same;
- b) The Directors had selected such Accounting policies and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and,
- d) The Directors had prepared the Annual Accounts on a going concern basis.

9. STATEMENTS OF PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

Information in accordance with the provisions of Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is not applicable in case of your Company.

10. STOCK EXCHANGES:

The Company is listed on the following Stock Exchanges:

- a) Bombay Stock Exchange Limited.
- b) Ahmedabad Stock Exchange.

The Shares of the Company are presently suspended from trading in both the Stock Exchanges.

11. PUBLIC DEPOSITS

Your Company has not accepted any Public Deposits during the year under report.

12. PARTICULARS OF EMPLOYEES :

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956.

13. FOREIGN EXCHANGE:

There were no foreign exchange Earnings or outgo during the year under review.

14. CORPORATE GOVERNANCE:

The Corporate Governance Report forms an integral part of this Report and is set out as separately in this Report. The Certificate of the Auditors of the Company certifying compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is annexed with the Report on Corporate Governance.

15. HUMAN RESOURCES:

Progressive policies to encourage excellence both in individual and team spirit are in place.

16. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation for the assistance and co-operation received from the Company's Bankers, Government Agencies, Financial Institutions, Customers, Investors and Business constituents and look forward to maintain the same in future.

FOR AND ON BEHALF OF THE BOARD,

**Place : Ahmadabad
Date : 1st September 2010**

**Sd/-
Director**

**Sd/-
Director**

ANNEXURE 'A' TO DIRECTORS' REPORT**RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.****1. Future plan of action**

The Company is taking necessary steps for the revival of operations.

B. Technology absorption:**1. Efforts in brief made towards technology absorption, adoption and innovation.**

No new technology was introduced during the Year ended 2009 -10.

1. Benefits derived as a result of the above efforts.

None

2. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year):**A. Foreign Exchange Earnings and Outgo
Nil****1. Earning- FOB value of Exports
Nil****2. Outgo- CIF Value of Imports
Nil**

FOR AND ON BEHALF OF THE BOARD,

**Place : Ahmadabad
Date : 1st September 2010**

**Sd/-
Director**

**Sd/-
Director**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. Overall Review**

There is slowdown in the growth rate in the market in which your company. The Company is taking various steps to review the operations of the Company.

2. Financial Review

Company is in the process of finding profitable avenue to undertake the activities. As such the operation of the Company has not been undertaken at full scale.

3. Risk and Concern

Price fluctuations and volatile commodities markets will affect the business of the Company. Changes in rate of Interest will affect Company's ability to obtain funds from the financial markets.

4. Internal Control System and their adequacy

The internal control system is looked after by Directors themselves, who also looked after the day to day affairs to ensure compliances of guide lines and policies, adhere to the management instructions and policies to ensure improvements in the system. The Internal Audit reports are regularly reviewed by the management.

5. Cautionary Statement

Statement in this report on Managing discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward – looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE**1. Company's Philosophy on Code of Governance:**

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavors to review strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

Your Board of Directors present the Corporate Governance Report for the year 2009-10 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March 2010.

2. Board of Directors:

The Board of Directors of the company is composed of committed persons with considerable experience in varied fields and comprises a majority of Non-Executive Directors. The Board is properly constituted as per Clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2010 have been made by the Directors.

During the financial year ended 31st March, 2010, 5 Meetings of the Board of Directors were held as on 30/04/2009, 31/07/2009, 03/09/2009, 30/10/2009 and 30/01/2010.

Name of Directors	Category of Directors	No. of Board Meetings attended during 2009-10	Whether attended last AGM	Number of other Directorship	No of membership of audit committee and Share Holders & Investors Grievance Committee in other Companies	Chairmanship of audit committee & Share Holders & Investors Grievance Committee in other Companies
Mr. Vikram R Shah	Executive Promoter Chairman	5	Yes	5	2	Nil
Mr. Dahyabhai B. Patel	Executive Promoter Director	5	Yes	Nil	Nil	Nil
Mr. Dinesh H. Desai	Executive Promoter Director	5	Yes	Nil	Nil	Nil
Mr. Ashish S. Pandare	Non – Executive Inde. Director	5	Yes	Nil	Nil	2
Mr. Lalji R. Yadav	Non – Executive Inde. Director	5	Yes	Nil	2	Nil

Notes:

1. Excludes alternate directorships and directorships in foreign companies and private companies which are neither a subsidiary nor a holding company of a public company.
2. Excludes Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee and Companies other than public limited companies.

The Board periodically reviews compliance reports of all the laws applicable to the Company and has put in place procedures to review steps to be taken by the Company to rectify instances of non-compliance, if any.

Particulars of Re-appointed Directors:

Shri. Vikram R Shah and Shri. **Dahyabhai Bhagubhai Patel** who retires by rotation and being eligible for re- appointment has offered himself for re- appointment.

Board Committees

The Board has constituted the following Committees of Directors:

(a) Audit Committee :**i. Terms of Reference**

The role and terms of reference of Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

ii. Composition

The Audit Committee comprised of Shri. Ashish S. Pandare Chairman, Shri. Lalji Ramraj Yadav and Shri Vikram R Shah as Members. The composition of the Board of Directors is in accordance with Clause 49 of the Listing Agreement.

During the 2009-10 under review 5 meetings of the Audit Committee were held on, 30-04-2009, 31/07/2009, 03/09/2009, 30/10/2009 and 30/01/2010. The attendance of members is as follows:

Name	Category	Meetings during the year 2009-10	
		Held	Attended
Mr. Ashish S. Pandare - Chairman	Independent, Non – Executive Director	5	5
Mr. Lalji Ramraj Yadav - Member	Independent, Non – Executive Director	5	5
Mr. Vikram R Shah - Member	Executive Director	5	5